GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:252
ANSWERED ON:16.12.2008
TEA EXPORTS
Nedurumalli Janardhana Reddy Shri

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether export of Indian tea declined considerably during the year 2007-08;

(b) if so, the details thereof and the reasons therefor;

(c) whether Indian tea has become less popular in those countries where it was in great demand earlier;

(d) if so, the reasons therefor; and

(e) the steps taken/proposed to be taken by the Government to win back the lost customers of Indian tea in the world market?

Answer

MINISTER OF COMMERCE AND INDUSTRY(SHRI KAMAL NATH)

a)to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.252 FOR ANSWER ON 16TH DECEMBER, 2008 REGARDING "TEA EXPORTS "

(a) & (b): Yes Sir, the export of tea from India has registered a substantial decline during 2007-08 (185.32 million kgs) as compared to 2006-07 (218.15 million kgs). The volume and value earnings from export has declined by 32.83 million kgs and Rs 157.04 Crs respectively, whereas the unit value export has increased by Rs 8.14 per Kg.

The reasons for decline during the year 2007-08 are mainly the sharp decline in export to Iraq due to payment problems and appreciation in rupee. Local payment problems affected India's trade with Iraq, a major export market, by 34.87 million kg during 2007-08. In respect of exports to Pakistan and Kenya the shortfall in exports during 2007-08 was 8.57 million kgs and 5.09 million kgs respectively. Kenya had a bumper crop during the year which increased production in that country by 19% and resulted in 10% jump in their exports.

(c) & (d): Indian tea continues to be appreciated in countries where it was in great demand earlier. Offtake of Indian tea is less where the consumers are price sensitive. However, the availability of cheaper teas from other countries has resulted in less off take from India.

(e): In order to improve the export quality of Indian tea for the international market, a Quality Upgradation and Product Diversification Scheme is being implemented by Tea Board during the 11th Plan period with an outlay of Rs. 230 crores. Under this scheme financial assistance by way of subsidy is being extended to the needy tea gardens/factories for replacement of old and worn-out processing machineries, augmenting the processing capacity, creation of new facilities for production of orthodox, green and other specialty teas.

The Tea Board/Govt., is also taking various measures to boost the export of tea which include conducting promotional activities in the foreign markets and lending promotional support to Indian tea exporters in their marketing efforts.